

Subpart 3510—Noncompetitive Leasing: Fringe Acreage Leases and Lease Modifications

§ 3510.11 If I already have a Federal lease, or the mineral rights on adjacent private lands, may I lease adjoining Federal lands that contain the same deposits without competitive bidding?

Yes. If the adjoining Federal lands are available for leasing, you may lease them noncompetitively, even if they are known to contain a deposit of the mineral you are interested in leasing. We will either issue a new lease for these lands (fringe acreage) or add the lands to your existing Federal lease (modification).

§ 3510.12 What must I do to obtain a lease modification or fringe acreage lease?

(a) File three copies of your application with the BLM office that administers the lands. No specific application form is required.

(b) Include a non-refundable filing fee of \$25, and an advance rental payment in accordance with the rental rate for the mineral commodity you are seeking. If you want to modify an existing lease, BLM will base the rental payment on the rate in effect for the lease being modified.

(c) Your application must:

(1) Show the serial number of the lease if the lands adjoin an existing Federal lease;

(2) Contain a complete and accurate description of the lands desired;

(3) Show that the mineral deposit specified in your application extends from your adjoining lease or from private lands you own or control; and

(4) Include proof that you own or control the mineral deposit in the adjoining lands if they are not under a Federal lease.

§ 3510.15 What will BLM do with my application?

We will issue or modify a lease under this subpart only if we determine that:

(a) The lands are contiguous to your existing Federal lease or to non-Federal lands you own or control;

(b) The new fringe lease does not exceed the maximum size allowed in a lease, as specified in § 3503.37 of this part;

(c) The acreage of the modified lease, including additional lands, is not in excess of the maximum size allowed for a lease, as specified in § 3503.37 of this part;

(d) The mineral deposit is not in an area of competitive interest to holders of other active mining units in the area;

(e) The lands for which you applied lack sufficient reserves of the mineral resource to warrant independent development;

(f) Leasing the lands will conserve natural resources and will provide for economical and efficient recovery as part of a mining unit; and

(g) You meet the qualification requirements for holding a lease described in subpart 3502 of this title and the new or modified lease will not cause you to exceed the acreage limitations described in § 3503.37 of this part.

§ 3510.20 Do I have to pay a fee to modify my existing lease or obtain a fringe acreage lease?

Yes. Before BLM issues a new fringe acreage lease or modifies your existing lease, you must pay a bonus in an amount we will determine based on an appraisal or other appropriate means. The bonus cannot be less than \$1 per acre or fraction of an acre.

§ 3510.21 What terms and conditions apply to fringe acreage leases and lease modifications?

Your fringe acreage lease is a new Federal lease. Therefore, we may impose terms and conditions different from those in your original Federal lease. A modified lease will be subject to the same terms and conditions as in the original Federal lease.

Subpart 3511—Lease Terms and Conditions

§ 3511.10 Do certain leases allow me to mine other commodities as well?

Yes. Sodium leases authorize you to mine potassium compounds as related

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products, and potassium leases authorize mining associated sodium compounds and related products. A phosphate lease allows you to use deposits of silica, limestone or other rock on the lease for use in the processing or refining of phosphate, phosphate rock, and associated minerals mined from the leased lands. You must pay royalty on these materials as specified in your lease.

§ 3511.11 If I am mining calcium chloride, may I obtain a noncompetitive mineral lease to produce the commingled sodium chloride?

Yes. If you are producing calcium chloride in paying quantities from an existing mine which you control, you

may apply to BLM for a noncompetitive lease to produce the commingled sodium chloride. You must already have authorization, under part 3800 of this chapter, for the locatable minerals. You must also meet the other requirements of this part for the commingled leasable minerals.

§ 3511.12 Are there standard terms and conditions which apply to all leases?

Yes. BLM will issue your lease on a standard form which will contain several terms and conditions. We will add your rental rate, royalty obligations and any special stipulations to this lease form.

§ 3511.15 How long will my lease be in effect?

Commodity	Initial Term	Period of Renewal or Readjustment
(a) Phosphate	Indeterminate	Subject to readjustment at the end of each 20 year period.
(b) Sodium	20 years	Can be renewed for 10 years at the end of the initial term and for following 10 year periods.
(c) Potassium	Indeterminate	Subject to readjustment at the end of each 20 year period.
(d) Sulphur	20 years	Can be renewed for 10 years at the end of the initial term and for following 10 year periods.
(e) Gilsonite	20 years and for as long thereafter as gilsonite is produced in paying quantities.	Subject to readjustment at the end of each 20 year period.
(f) Hardrock Minerals	not to exceed 20 years	Can be renewed for 10 years at the end of the initial term and for following 10 year periods.
(g) Asphalt	20 years	Can be renewed for 10 years at the end of the initial term and for following 10 year periods.

§ 3511.25 What is meant by lease readjustment and lease renewal?

(a) If your lease is issued subject to readjustment, BLM will notify you of the readjusted terms before the end of each 20-year period. If we do not timely notify you of readjusted terms, those leases continue for another 20-year period under the same terms and conditions.

(b) If you have a lease that requires renewal, we will issue the lease for an initial term as specified in § 3510.15 of this part. You must apply for a renewal of the lease at least 90 days before the initial term ends in order to extend the lease for an additional term. If you do

not renew the lease, it expires and the lands become available for re-leasing. BLM may change some of your lease terms when we renew a lease.

§ 3511.26 What if I object to the terms and conditions BLM proposes for a readjusted lease?

(a) You have 60 days after receiving the proposed readjusted terms to object. If we do not receive your objection within 60 days, the proposed readjusted terms will be in effect. If you file an objection, BLM will issue a decision in response. If you disagree with the decision, you may appeal under parts 4 and 1840 of this title.